

Earned Income Credit (EIC) Advance Payment Information

►(Effective Pay Period 25, 2006)◄

Use the following steps to calculate the EIC advance payment. **Note:** Once the employee's year-to-date annual taxable wages paid reach ►\$33,241◄ or more for **single, head of household**, or **widow(er)** filers or ►\$35,241◄ or more for **married** filers, the EIC advance payment is \$0.00.

1. Subtract the nontaxable biweekly Thrift Savings Plan contribution from the gross biweekly wages.
2. Subtract the nontaxable biweekly Federal Health Benefit Plan payment(s) (includes flexible spending account - health care and dependent care deductions) from the amount computed in step 1.
3. Add the taxable biweekly fringe benefits (taxable life insurance, etc.) to the amount computed in step 2 to obtain the adjusted gross biweekly wages.
4. Multiply the adjusted gross biweekly wages by 26 to obtain the annual taxable wages.
5. If the employee (**single, head of household**, or **qualifying widow(er)**) is filing for EIC advance payment, apply the annual taxable wages to the following table:

If the Amount of Annual Wages Is:		The Amount of EIC Advance Payment Should Be:			
Over:	But Not Over:	Of Excess Over:			
\$ 0	►\$ 8,390.00	\$ 0	plus	20.400%	\$ 0
8,390.00	15,390.00	1,712.00			
15,390.00	33,245.66	1,712.00	less	9.588%	15,390.00
33,245.66◄	and over	0			

6. If the **married employee (not spouse)** is filing for EIC advance payment, apply the annual taxable wages to the following table:

If the Amount of Annual Wages Is:		The Amount of EIC Advance Payment Should Be:			
Over:	But Not Over:	Of Excess Over:			
\$ 0	►\$ 8,390.00	\$ 0	plus	20.400%	\$ 0
8,390.00	17,390.00	1,712.00			
17,390.00	35,245.66	1,712.00	less	9.588%	17,390.00
35,245.66◄	and over	0			

7. If the **married employee and spouse** are filing for EIC advance payment, apply the annual taxable wages to the following table:

If the Amount of Annual Wages Is:		The Amount of EIC Advance Payment Should Be:			
Over:	But Not Over:	Of Excess Over:			
\$ 0	►\$ 4,195.00	\$ 0	plus	20.400%	\$ 0
4,195.00	8,695.00	856.00			
8,695.00	17,622.83	856.00	less	9.588%	8,695.00
17,622.83◄	and over	0			

8. Divide the annual EIC advance payment amount by 26 to obtain the biweekly EIC advance payment amount.